

**CITY OF MIAMI BEACH**  
**Office of the City Manager**  
**Letter to Commission No. 128-2005**



**To:** Mayor David Dermer and  
Members of the City Commission

**Date:** May 16, 2005

**From:** Jorge M. Gonzalez  
City Manager

A handwritten signature in black ink, appearing to read "Jorge", written over the printed name.

**Subject:** VIOLATION OF THE LIVING WAGE ORDINANCE BY ARMOR SECURITY

The purpose of this LTC is to provide you with information relative to the violation of the City's Living Wage Ordinance by Armor Security pursuant to Contract No. 4-01/02, for Security Guard Services.

Based on a complaint received in the Procurement Division, the City's Procurement Director requested and received on March 4, 2005, payroll records submitted by Armor Security, Inc. Said payroll records covered the period from August 18, 2004 through February 15, 2005, and reflect how much was paid to each Armor Security employee assigned to provide security guard services to the City.

The Procurement Director's review of the aforementioned payroll records raised concerns relative to Armor's compliance to the Living Wage Ordinance. Armor's payroll records indicate that most of the security guards were paid \$8.56 per hour without any contributions towards health benefits. The Procurement Director decided to survey former Armor Security employees to determine if they were being paid the living wage required by the Ordinance; that is, either \$8.56 per hour plus \$1.25 per hour towards health benefits; or \$9.81 per hour without health benefits contributions (see attached questionnaire).

Pursuant to City of Miami Beach Living Wage Ordinance, as codified in Chapter 2, Division 6, Sections 2-407 thru 2-410 of the Miami Beach Code, all service contractors, entering into a contract with the city shall pay to all its employees, a living wage of no less than \$8.56 an hour with health benefits, or a living wage of not less than \$9.81 an hour without health benefits. For a covered employer to comply with the living wage provision by choosing to pay the lower wage scale (\$8.56/hour) when a covered employer also provides health benefits, such health benefits shall consist of payment of at least \$1.25 per hour toward the provision of health benefits for covered employees and their dependents.

If the health benefits plan of the covered employer requires an initial period of employment for a new employee to be eligible for health benefits ("eligibility period") the living wage provision shall be complied with as follows during the eligibility period:

(1) Provided the new employee will be paid health benefits upon the completion of the eligibility period, a covered employer or the city may only qualify to pay the \$8.56 per hour wage scale for a term not to exceed the first 90 days of the new employee's eligibility period, said term commencing on the employee's date of hire.

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**May 16, 2005**

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(2) If the covered employer's eligibility period exceeds the 90-day term provided in subsection (1), then the covered employer, commencing on the ninety-first day of the new employee's eligibility period, must commence to pay a living wage of not less than \$9.81 an hour.

It is important to note that Armor's contract was awarded on March 20, 2002, which is prior to the amendment to the Living Wage Ordinance that defined "eligibility period" not to exceed 90 days (the Ordinance when first adopted did not define the employer's eligibility period). Armor maintains that their eligibility period is one year. Therefore, any Armor employee who has passed his/her eligibility period (one year), should have being paid \$8.56/hour plus \$1.25 contributed towards health benefits or the \$9.81/hour without any contributions towards health benefits. The findings reflect that Armor has paid their employees who passed their eligibility period, only \$8.56 per hour.

All employees who passed Armor Security's eligibility period, and were paid a wage rate of \$8.56 per hour without any contribution towards health benefits, must be paid a minimum of \$1.25 per hour for each hour that he/she worked, pursuant to Contract No. 04-01/02, must receive wage restitution.

If Armor fails to comply with this notice of corrective action, I or my designee may issue an order in writing which requests Armor Security to appear at an administrative hearing before myself or my designee.

If you have any questions or need additional information, please feel free to contact me.

C: Murray H. Dubbin  
City Attorney

Patricia D. Walker  
Chief Financial Officer

Raul Aguila  
First Assistant City Attorney

Gus Lopez  
Procurement Director

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05 MAY 17 AM 11:20  
CITY CLERK'S OFFICE

# CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139  
www.miamibeachfl.gov



Procurement Division

Telephone 305.673.7490  
Facsimile 305.673.7851

## VIA FACSIMILE (305.598.0393) AND U.S. MAIL

May 9, 2005

Andrew Nierenberg, P.A.  
The Atrium at Coral Gables  
1500 San Remo Avenue, Suite 125  
Coral Gables, FL 33146

**RE: NOTICE OF LIVING WAGE VIOLATION TO ARMOR SECURITY, INC.  
PURSUANT TO CONTRACT NO. 4-01/02, FOR SECURITY GUARD SERVICES**

Dear Mr. Nierenberg:

Pursuant to verifying compliance of the above referenced contract with the City of Miami Beach Living Wage Ordinance, as codified in Chapter 2, Division 6, Sections 2-407 thru 2-410 of the Miami Beach Code (hereinafter, the "Ordinance"), this office requested and received, on March 4, 2005, payroll records submitted by your client Armor Security, Inc. Said payroll records covered the period from August 18, 2004 through February 15, 2005, and reflect how much was paid to each Armor Security employee assigned to provide security guard services to the City.

Our review of the aforementioned payroll records raised concerns relative to your client's compliance to the Ordinance. Said payroll records indicate that most of the security guards were paid \$8.56 per hour without any contributions towards health benefits. We therefore decided to survey former Armor Security employees to determine if they were being paid the living wage required by the Ordinance; that is, either \$8.56 per hour plus \$1.25 per hour towards health benefits; or \$9.81 per hour without health benefits contributions.

Based on the information received, this Office has determined that Armor Security is in violation of the Ordinance. As such, Armor Security is required to pay wage restitution, at its expense, to each affected employee, **by June 6, 2005**. Specifically, all employees who passed Armor Security's eligibility period, and were paid a wage rate of \$8.56 per hour without any contribution towards health benefits, must be paid a minimum of \$1.25 per hour for each hour that he/she worked, pursuant to Contract No. 04-01/02, must receive wage restitution.

The aforementioned wage restitution must cover the period from March 20, 2002 through April 30, 2005. Documentation which confirms that wage restitution was made to each affected employee must be submitted to this Office **by June 10, 2005**.

If Armor fails to comply with this notice of corrective action, the City Manager or the City Manager's designee may issue an order in writing which requests Armor Security to appear at an administrative hearing before the City Manager or his designee.

*Notice of Living Wage Violation to Armor Security*  
*May 9, 2005*  
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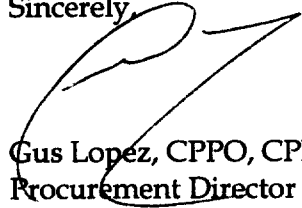
Please be advised that for violations of the City's Living Wage Ordinance, the City may access the following:

- (1) Damages in the sum of \$500.00 for each week for each employee found to have not been paid in accordance with the Ordinance; and/or
- (2) Suspend or terminate payment; and/or
- (3) Declare Armor Security ineligible for future service contracts for three years or until all penalties and restitution have been paid in full, whichever is longer.

Additionally, Armor Security shall not discharge, reduce the compensation, or otherwise discriminate against any covered employee for making a complaint to the City, or otherwise asserting his or her rights under the Ordinance, participating in any of the City's proceedings or using any civil remedies to enforce his or her rights under the Ordinance.

Should you have any questions, I may be reached by phone: 305.673.7490; or fax: 305.673.7851; or email: [guslopez@miamibeachfl.gov](mailto:guslopez@miamibeachfl.gov).

Sincerely,



Gus Lopez, CPPO, CPPB  
Procurement Director

C: Jorge M. Gonzalez  
City Manager

Patricia D. Walker  
Chief Financial Officer

Murray Dubbin  
City Attorney

Raul Aguila  
Assistant City Attorney

Lou Nodarse, Vice President  
Armor Security  
Fax: 305.598.0393

# CITY OF MIAMI BEACH

1700 Convention Center Dr, Miami Beach, FL 33139  
www.miamibeachfl.gov



Procurement Division

Telephone (305) 673-7490  
Facsimile (305) 673-7851

## ATTENTION CURRENT OR FORMER ARMOR SECURITY GUARDS

It has been brought to my attention that security guards employed by Armor Security who have worked under the City's contract with Armor Security may not have been paid the required living wage rate and/or made contributions towards health benefits.

If the City determines that Armor Security is in violation of the City's Living Wage Ordinance, the City may impose sanctions against Armor Security including but not limited to, wage restitution for each affected employee. In other words, if you were not paid the City's living wage rate of \$8.56 per hours plus \$1.25 per hour towards health benefits; or \$9.81 per hour without health benefits, you may be entitled to wage restitution. It is therefore, very important that you complete the following questionnaire:

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Start Date of Employment with Armor Security: \_\_\_\_\_

Start Date of Working as a Security Guard on Miami Beach: \_\_\_\_\_

Hourly Wage Rate Paid: \$ \_\_\_\_\_

Contributions by Armor towards health benefits (if any): \$ \_\_\_\_\_/hourly or \$ \_\_\_\_\_/bi-weekly or \$ \_\_\_\_\_/monthly.

Did Armor contribute towards health benefits: \_\_\_\_\_ Yes \_\_\_\_\_ No

Should you need additional information or clarification, I may be reached by phone: 305.673.7490; fax: 305.673.7851; or e-mail: [guslopez@miamibeachfl.gov](mailto:guslopez@miamibeachfl.gov).

Thank you,

Gus Lopez, CPPO  
Procurement Director

**IMPORTANT NOTE:** *Retaliation and discrimination barred.* A covered employer (i.e. Armor Security) shall not discharge, reduce the compensation, or otherwise discriminate against any covered employee for making a complaint to the city, or otherwise asserting his or her rights under this division, participating in any of its proceedings or using any civil remedies to enforce his or her rights under this division. Allegations of retaliation or discrimination, if found true in a proceeding under paragraph (b) or by a court of competent jurisdiction under paragraph (c), shall result in an order of restitution and reinstatement of a discharged covered employee with back pay to the date of the violation or such other relief as deemed appropriate.